

The Railroad Hospital Association

N.Y.C. Station - St. Thomas, Ontario

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I N D E X

1. An Association Of Railroad Employees
2. Membership
3. Rates
4. Dangers In Optional Coverage

1. AN ASSOCIATION FOR RAILROAD EMPLOYEES

The Railroad Hospital Association was formed in the year 1885 and we believe it is one of the oldest Hospital and Sick Benefit Associations in existence. As the name implies it is for use of Railroad employees and gives a broad coverage which includes complete medical and surgical service, medicine, outpatient hospital service and supplementary hospital care providing for semi-private and private room. Most of these services are also available to families of members. At the present time the Association does not provide home and office calls for family participants but plans are being made to provide for this additional service in order to conform to regulations of the Medical Services Insurance Act.

2. MEMBERSHIP

At the present time we cover approximately 950 members who have the option of extending services to wives and dependent children regardless of age. Six hundred and forty-five members carry protection for wives and families. In addition, we take care of approximately 121 widows of deceased members. Many of our members are retired.

3. RATES

Our Association operates on a non-profit basis and our present rates are established at a very low level. However, there is a provision for an assessment to recover operational losses in any of the groups. If we have a surplus, additional benefits are given to the members during the following year.

Our members do not take kindly to rate increases and it is felt by our Directors that if it were necessary to guarantee an established rate for a period of two years this could not be accomplished without a rate increase which would likely result in a substantial loss in our membership. Under these circumstances it would be appreciated if provision could be made to allow us to continue charging minimum rates with provision for assessment as required.

During the present year it has been necessary to levy an assessment of \$3.00 for each member covered, in order to recover losses in the first six

The Hallmark Hospital Association was formed in the year 1935 and we believe it is one of the oldest Hospital and Sick Benefit Associations in existence. As the name implies it is for use of Hallmark employees and gives a broad coverage which includes complete medical and surgical services, medicine, outpatient hospital services and supplementary hospital care providing for semi-private and private room. Most of these services are also available to families of members. At the present time the Association does not provide home and office calls for family participants but plans are being made to provide for this additional service in order to conform to regulations of the

Medical Services Insurance Act.

2. MEMBERSHIP

At the present time we cover approximately 950 members who have the option of extending services to wives and dependent children regardless of age. Six hundred and forty-five members are also included in the plan. In addition, we take care of the dependents of deceased members. Many of our members are retired.

3. FINANCE

Our Association operates on a non-profit basis and our present rates are established at a very low level. However, there is a provision for an assessment to recover operational losses in any of the groups. If we have a surplus, additional benefits are given to the members during the following year.

Our members do not take kindly to rate increases and it is felt by our directors that if it were necessary to guarantee an established rate for a period of two years this could not be accomplished without a rate increase which would likely result in a substantial loss in our membership. Under these circumstances it would be impractical if provision could be made to allow us

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During the present year it has been necessary to levy an assessment of \$2.00 for each member covered, in order to recover losses in the first six

months operations.

4. DANGERS IN OPTIONAL COVERAGE

In consideration of section of Bill 163, relating to the matter of optional coverage, it appears that a resident can remain uninsured until such time as the need for medical care is apparent and still have the right to demand acceptance into the group of his choice. In this way the insurer will be compelled to accept a heavy burden of expense without having had the advantage of receiving any built up premiums to assist in the cost of medical care. Following the thought through, the member can withdraw from the group and rejoin at any future time he may again require medical or surgical care. Under such circumstances how can any insurer hope to collect enough premium money to balance with the cost of taking care of his expenses?

We recommend that the Committee give further thought to circumstances of this nature with the view of making such changes as might be required to correct the above condition.

SIGNED ON BEHALF OF THE DIRECTORS
RAILROAD HOSPITAL ASSOCIATION

O A Derrough
President

J C Ingram
Vice-President

L R Harg
Superintendent

